

VALUE ADDED

Now you have read this issue of *Taxation*, be sure that you and your staff make the most of it!

Assign any action points to members of staff by entering the staff member's initials in the box alongside it, then filling in the circulation list. You and your staff can then convert your reading into a more structured form of CPD by taking the online quiz, which will give you a record of your score by email – the notes below will help you check before starting that you remember the key points!

If you do not have staff, then use this page as a reminder for yourself to plan any action that you need to take, and to complete the online CPD quiz to verify what you have learned.

CPD ONLINE

The online CPD quizzes can be accessed at www.lexisurl.com/taxcpd. Before taking this week's, check that you have read the items referred to below.

- [1] The first CPD question comes from a news item which broke just as we went to press; George Osborne's announcement of a new "employee-owner" contract. Did you pick up on the details of the proposal?
- [2] Ken Voller's Comment article is about lettings. There are some key factors that will determine the way HMRC decides the tax status of a property business as either a trade or an investment.
- [3] The definition of "relevant motoring expenses" lies at the heart of John Messor's report on the *Total People* case. There are three conditions, we have four answers, so it's odd one out time again.
- [4] One of the meeting points in Malcolm Gunn's report is about the new statutory residence test. This is a subject (and a question) where you need to know the numbers!
- [5] Here's another question where you need to know the numbers; this time the numbers concerned are percentages. Phil Vickery's article is where you will find them.
- [6] The question from Readers' Forum is about gifts with reservation. Do you remember all the rules that apply when you are trying to escape a charge when you dispose of an interest in a residential property but continue to live in it?

CIRCULATION

NAME	READ	X
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ACTION POINTS

- [1] HMRC have decided to extend the external email pilot until the end of December. Are you taking advantage of this scheme? It is still possible to take part in it by registering your interest online at www.lexisurl.com/extemail (page 2). INITIALS
- [2] The decision in *Odyssey (Tendercare) Ltd* demonstrates the importance of ensuring that donations to charity are made according to the rules in the legislation. A gift to an associated company may ultimately benefit the charity but will not qualify for gift aid relief (page 5). INITIALS
- [3] Have any of your clients with income from lettings found that HMRC are trying to charge National Insurance on the profits? Have you seen the questionnaire referred to in Ken Voller's article? If you have, please email a copy to taxation@lexisnexis.co.uk (page 6). INITIALS
- [4] Do you regularly review expenses paid by employers to their employees to ensure that they are allowable for tax and National Insurance purposes and that they are calculated and paid in accordance with any HMRC dispensation (page 8)? INITIALS
- [5] Do you have clients who own business or agricultural property and who are also planning to leave legacies of 10% or more of their estate to charity and thus benefit from the reduced rate of inheritance tax? Care needs to be taken that the attribution rules do not have adverse consequences (page 12). INITIALS
- [6] Consider taking the time to review farming clients' estate planning to ensure that measures are taken to ensure that agricultural property relief can be claimed on farmhouse, even if the farmer is trying to step back from his farming activities (page 16). INITIALS
- [7] When clients pay dividends to themselves or other shareholders, have the proper formalities been complied with and properly recorded? Take particular care in the first year; it is not enough to rely on the fact that there is cash in the bank (page 22). INITIALS

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